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August 2, 1989

16467

FILED 1435

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Office of the Secretary
Interstate Commerce Commission
Washington D.C. 20423

AUG 9 1989 -12 25 PM

INTERSTATE COMMERCE COMMISSION

9-221A017

RE: Lease of Locomotive Equipment
National Railway Leasing Company, Lessor
Iowa Interstate Railroad, Lessee

Dear Mr. Secretary:

I have enclosed an original and one copy of the document described below to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a lease of locomotive equipment and is a primary document dated July 15, 1989. The names and addresses of the parties to the documents are as follows:

Lessor

National Railway Leasing Company
An Illinois Corporation
14400 S. Robey Street
P.O. Box 2270
Dixmoor, IL 60426

Lessee

Iowa Interstate Railroad
800 Webster Street
Iowa City, Iowa 52240

A description of the equipment covered by the document follows:

Two (2) EMD GP10 railroad locomotives, Unit Nos.
1404/407 and 1405/408

A fee of \$13.00 is enclosed. Please return the original and any extra copies not needed by the commission for recordation to Richard F. Loritz, 9533 W. 143rd Street, Orland Park, IL 60462.

Interstate Commerce Commission
August 2, 1989
Page 2

A short summary of the document to appear in the index follows:

A lease of locomotive equipment identified as two EMD GP10 Railroad Locomotives, with National Railway Leasing Co., as Lessor, and Iowa Interstate Railroad, as Lessee.

Also attached is an Affidavit executed by the attorney in fact for National Railway Leasing Company and appropriately notarized declaring that the copies transmitted herewith have been compared to the original and have been found to be complete and identical in all respects to the original document.

Very truly yours,

NATIONAL RAILWAY LEASING CO.
an Illinois Corporation

BY:


RICHARD F. LORITZ

ITS: Attorney and Agent in Fact

RFL/sjg
Enclosure

NRLC802.89a

Interstate Commerce Commission
Washington, D.C. 20423

8/10/89

OFFICE OF THE SECRETARY

Richard F. Loritz
9533 W. 143rd St.
Orland Park, IL 60462

Dear: **Sir:**

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **8/10/89**, at **12:25PM** and assigned recordation number(s). **16467**

Sincerely yours,



Noreta R. McGee
Secretary

Enclosure(s)

16467
RECORDED AND INDEXED

AUG 09 1989 - 12 25 PM

INTERSTATE COMMERCE COMMISSION

LOCOMOTIVE LEASE AGREEMENT

COPY

Lease agreement dated the 15th day of July, 1989 by and between National Railway Leasing Company, hereinafter called "Lessor", and the Iowa Interstate Railroad hereinafter called "Lessee".

1. EQUIPMENT: Lessor, for and in consideration of the rents and conditions hereinafter set forth, does hereby lease to Lessee two (2) EMD GP10 railroad locomotives as described in Exhibit "A" attached hereto.

2. TERM: The term of this agreement shall be for five years commencing July 15, 1989 and ending July 15, 1994.

3. RENTAL: For said term of rental, Lessee shall pay Lessor the sum of \$3,804.16 per month per locomotive. At the end of the term the Lessee shall pay the Lessor \$15,000.00 per locomotive to assume complete and total ownership of the locomotives. Lessor shall bill Lessee on a monthly basis in arrears, with terms net thirty (30) days.

4. TRANSPORTATION: Lessee will arrange for transportation of equipment from Dixmoor, IL. At the end of the lease period, if not on the rail lines of Lessor, Lessee will arrange for transportation of equipment from location of use to Dixmoor, IL and pay all freight charges thereof if purchase option is not taken by the Lessee.

5. INSPECTION: Prior to movement of the locomotives, locomotives will be jointly inspected by the parties in Dixmoor, IL as to condition, defects, etc. Lessor shall provide

a fresh 92 day FRA & maintenance inspection prior to lease.

Lessee shall be held liable for any damage to the locomotives which shall occur during the term of the lease, whether such damage should occur during Lessee's use, or possession of locomotives, or during transportation to and from location of use.

6. MAINTENANCE/IMPROVEMENTS: Lessee shall be responsible for and shall provide for, at it's sole cost, all regular maintenance and required inspections of the locomotives during the term of the Agreement. Any and all maintenance, repairs, and improvements performed shall be performed to standards set by O.E.M. procedures and specifications. Lessee shall provide at it's sole cost all records of repairs and maintenance performed during each 92 day period while locomotive is on lease.

7. INDEMNITY: In the event of damage or destruction of the locomotive or locomotives, Lessee shall repair such damage if such damage is economically reasonable, replace such locomotive or locomotives with like unit, or pay to Lessor the fair market value, which herein agreed to be \$140,000.00 per locomotive. Lessee will protect, defend and hold harmless the Lessor from any and all claims which may arise from the occupancy, operation, use or storage of said locomotives while under Lessee's possession and control.

8. TITLE/ASSIGNMENT: Title of the locomotives shall remain in the name of the Lessor until the Lessee has fulfilled his five (5) year obligation and paid his \$15,000.00 buyout per locomotive at the end of the term. At that time the Lessee shall

assume complete and total ownership of the locomotives. Lessee shall keep locomotives free and clear of any and all levies, attachments, liens, and other encumbrances. Lessee shall not assign or sublet its interest under this Agreement. However, nothing herein will prevent use of said locomotives upon lines of railroads other than Lessee.

9. SEVERABILITY: Should any provision of this lease be in conflict with any statute of law of any state or territory wherein it may be sought to be enforced, such a provision shall be null and void to the extent that it may be in conflict therewith, but without invalidating the remaining provisions.

10. NOTICES: All written notices provided herein shall be directed as follows:

If To Lessor: National Railway Leasing Company
 14400 S. Robey Street
 P.O. Box 2270
 Dixmoor, IL 60426

If To Lessee: Iowa Interstate Railroad
 800 Webster Street
 Iowa City, Iowa 52240

IN WITNESS WHEREOF, and intending to be bound hereby, Lessor and Lessee have caused this lease to be executed on the day and year first written above.

Pat C. Frangella
WITNESS

L. J. Beal
NATIONAL RAILWAY LEASING CO.

Fred D. Cluney Jr.
WITNESS

Paul M. Victor
IOWA INTERSTATE RAILROAD
EX VP & COO

EXHIBIT "A"

QUANTITY

MODEL

UNIT NUMBER

1ea.

GP10

1404/407

1ea.

GP10

1405/408

AFFIDAVIT

STATE OF ILLINOIS)
)ss
COUNTY OF COOK)

The undersigned states that he has read a true copy of the original document and that the document attached hereto is a complete and identical document in all respects to the original.

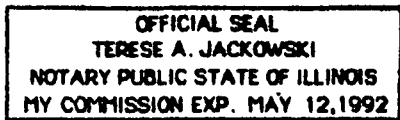
The undersigned has compared the copy with the original and has found the copy to be complete and identical in all respects to the original document.

This affidavit is made pursuant to the procedures in Section 117.3(2)(b) relative to the recordation of documents with the Interstate Commerce Commission.

Richard F. [Signature]
AFFIANT

Subscribed and Sworn to
before me this 2nd day
of August, 1989.

Terese A. Jackowski
NOTARY PUBLIC



NREC720.89a

RECORDED
INDEXED
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